

**Thomas Jefferson to Alexander Hamilton, March 27, 1793, with Copies , from The Works of Thomas Jefferson in Twelve Volumes. Federal Edition. Collected and Edited by Paul Leicester Ford.**

**TO THE SECRETARY OF THE TREASURY<sup>1</sup> MAD. ESS. (ALEXANDER HAMILTON)**

<sup>1</sup> See the letter to Madison immediately following this.

Philadelphia Mar. 27. 1793.

Sir, —In compliance with the desire you expressed, I shall endeavor to give you the view I had of the destination of the loan of three millions of florins obtained by our hankers in Amsterdam previous to the act of the 4th & 12th of Aug. 1790. when it was proposed to adopt it under those acts. I am encouraged to do this by the degree of certainty with which I can do it, happening to possess an official paper whereon I had committed to writing some thoughts on the subject at the time, that is to say, on the 26th of Aug. 1790. The general plan presented to you, according to my comprehension of it, in your Report and Draught of instructions, was 1. To borrow, on proper terms, such a sum of money as might answer all demands for principal & interest of the foreign debt due to the end of 1791. 2. To consider *two* of the three millions of florins already borrowed as is borrowed under the act of Aug. 4. and so far, an execution of the operation before mentioned. 3. To consider the *third million* of florins so borrowed as if borrowed under the act of the 12th of Aug. and so far, an execution of the powers given to the President to borrow two millions of Dollars for the purchase of the public debt. I remember that the million of Dollars surplus of the Domestic revenues appropriated to the purchase of the public debt appeared to me sufficient for that purpose here, for, probably, a considerable time.

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I therefore thought if any part of the three millions of florins were to be placed under the act of the 12th of August, that it should rather be employed in purchasing our *foreign paper* at the market of Amsterdam. I had myself observed the different degrees of estimation in which the paper of different countries was held at that market, and wishing that our credit there might always be of the first order, I thought a moderate sum, kept in readiness there to buy up any of our *foreign paper*, whenever it should be offered below par, would keep it constantly to that mark, and thereby establish for us a sound credit where of all places in the world, it would be most important to have it.

The subject however not being within my department, and therefore having no occasion afterwards to pay attention to it, it went out of my mind altogether, till the late enquiries brought it forward again. On reading the President's instructions of Aug. 28. 1790. (two days later than the paper before mentioned) as printed in your Report of Feb. 13, 1793, in the form in which they were ultimately given to you, I observed that he had therein neither confirmed *your* sentiment of employing a part of the money *here*, nor *mine* of doing it *there* in purchases of the public debt; but had directed the application of the whole to the *foreign debt*: & I inferred that he had done this on full and just deliberation, well knowing he would have time enough to weigh the merits of the two opinions before the million of dollars would be exhausted here, or the loans for the foreign debt would over-run their legal measure there. In this inference however I might be mistaken: but I cannot be in the fact that these instructions gave a sanction to neither opinion. I have thus, Sir, stated

to you the view I had of this subject in 1790, & I have done it because you desired it. I did not take it up then as a Volunteer, nor should now have taken the trouble of recurring to it, but at your request; as it is one in which I am not particularly concerned, which I never had either the time or inclination to investigate, & on which my opinion is of no importance. I have the honor to be with respect Sir &c.